

**From:** [business\\_managers@listserv.unc.edu](mailto:business_managers@listserv.unc.edu) on behalf of [Peoples, Vanessa L](#)  
**To:** [UNC Dept. Business Managers](#)  
**Subject:** [business\_managers] FW: Processing Subcontract Payments in ConnectCarolina  
**Date:** Wednesday, September 24, 2014 9:09:42 AM

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**From:** Peoples, Vanessa L  
**Sent:** Tuesday, September 23, 2014 5:30 PM  
**To:** UNC Chapel Hill Research Information  
**Subject:** [res\_info] Processing Subcontract Payments in ConnectCarolina

To: University Research Administrators

From: Vanessa Peoples

Re: Processing Subcontract Payments in ConnectCarolina

Date: September 23, 2014

We would like to inform you of upcoming changes to the way subcontract invoices are processed for payment and request your cooperation in implementing this new procedure. Effective October 1, 2014, we will require the use of two separate GL Accounts (f/k/a object codes) for processing subcontract invoices for payment. This change is necessary to ensure consistent treatment in charging facilities and administrative costs (F&A) on subcontract expenditures per OMB Circular A-21 Section G.2. GL Account **569461** (*formerly C&G object code 6981*) will be subject to facilities and administrative (F&A) costs and GL Account **569486** (*formerly C&G object code 6997*) will be exempt from F&A costs.

In order to implement this change **please take note the following:**

*Subcontracts established **PRIOR** to October 1, 2014:*

- If cumulative expenses for a subcontract are less than \$25,000, invoices should be paid against GL Account 569461. Once the cumulative expenses exceed \$25,000, invoices should be paid against GL Account 569486. Payments bridging the \$25,000 threshold should be split between the two GL Accounts.

- If cumulative expenses have already reached \$25,000, future invoices should be paid against GL Account 569486.
- Entire subcontract budget will be automatically converted under GL Account 569461 during PeopleSoft conversion.

*Subcontracts established **ON OR AFTER** October 1, 2014:*

- Subcontract invoices should be paid against GL Account 569461 until cumulative expenses reach \$25,000. Once the cumulative expenses exceed \$25,000, invoices should be paid against GL Account 569486. Payments bridging the \$25,000 threshold should be split between the two GL Accounts.
- Subcontract budget will be loaded on each respective subcontract GL Account (as applicable).

#### **USE OF SUBCONTRACT C&G GL ACCOUNTS:**

- In most instances:  
GL Account 569461 will be used to pay invoices that have cumulative expenses less than or equal to \$25,000  
GL Account 569486 will be used to pay invoices that have cumulative expenses greater than \$25,000
- In instances where the sponsor has approved F&A on the entire subcontract, use GL Account 569461 when processing all payments.
- In instances where the sponsor has disallowed F&A on a subcontract, use GL Account 569486.
- In instances where the sponsor has other limitations use the appropriate GL account to process payments.

Invoices will continue to be mailed to the PI department and processed for payment on a campus voucher. Careful consideration will need to be made when selecting the appropriate GL Account. If accounts 569461 and 569486 are not used appropriately, the University could potentially lose F&A revenue or potentially overcharge sponsors. Both instances will result in audit findings.

Thank you for your cooperation as we make this transition. If you have

questions, please contact your OSR Program Administrator.

*Vanessa L. Peoples*

*Deputy Director, Office of Sponsored Research*

*University of North Carolina Chapel Hill*

*104 Airport Drive, Suite 2200 Chapel Hill 27599-1350*

*919 962-4676 ~ [vpeoples@email.unc.edu](mailto:vpeoples@email.unc.edu)*

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